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SUBJECT: AMBASSADOR'S JUNE 1 LUNCH WITH PRESIDENTIAL  
DIPLOMATIC ADVISOR TASOS TZIONIS: TECHNICAL COMMITTEES AT  
AN IMPASSE

Classified By: Ambassador Ronald L. Schlicher; Reason 1.4 (b) and (d)

1. (C) Summary: In a private lunch on June 1, Ambassador Schlicher and President Papadopoulos' Diplomatic Advisor Tasos Tzionis discussed the current state-of-play in the UN-led technical talks, as well as Turkey's EU accession prospects, and the possibility of a visit by DAS Bryza to Cyprus in the near future. Tzionis acknowledged that the technical talks appeared to be at an impasse, and UN SRSG Moeller, while not ready to throw in the towel, was already probing for ideas on how to announce that the process had failed. Tzionis believed that alleged backsliding by the Turkish Cypriot participant reflected Ankara's interest in ensuring that no progress was made. The Ambassador pressed Tzionis hard on the issue of Turkey's EU accession process, stressing that a breakdown in the negotiations would have severe negative repercussions for the Cyprus issue. The ROC needed to be both creative and flexible, rather than relying on narrowly-interpreted points of law. Tzionis said that he hoped we were delivering a similar message to Ankara, which was ignoring overall EU sentiment with respect to its obligations. GOC ideas on Famagusta/Varosha were still on the table and could help Turkey on the EU track. The Ambassador noted that DAS Bryza might visit the island soon. He would want to meet with both Papadopoulos and Turkish Cypriot leader Talat. We wanted to signal this in advance in order to avoid any potential "Straw problem." Tzionis replied that Bryza was a "political personality," and the Straw rules might apply. End Summary.

#### Technical Talks Stymied

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1. (C) Tzionis told the Ambassador that the UN technical talks -- in which Tzionis himself represents the Greek Cypriot side -- appeared to be at an impasse, although it was too early to declare the effort dead. UN SRSG Michael Moeller had met with Tzionis and Turkish Cypriot representative Rasit Pertev on May 31, but the parties had again failed to reach agreement. Tzionis had also met privately with both Moeller and Pertev earlier in the week. Moeller had already begun to probe gently for ideas on how to announce publicly that the technical talks process had failed.

2. (C) Tzionis observed that, at a few junctures in the three-way talks, the parties had come close to agreement, but "something had happened" on the Turkish Cypriot side to scuttle the deal. In comments that track with the private observations of Moeller, this was expressed in the talks through Pertev's backtracking on previously-agreed language and long arguments about terminology ("sides" vice "communities" in particular). The current Turkish Cypriot stance, according to Tzionis, was to agree to nothing beyond the most narrow interpretation of the committee's mandate to deal with everyday "technical" issues. In their most recent meeting, Pertev had gone so far as to refer to the purpose of the process as one of promoting the "normalization" of everyday relations. Obviously, declared Tzionis, the Greek Cypriot side had no interest in a process that served only to increase "separateness." Asked for his take on why the Turkish Cypriots had adopted this approach, Tzionis asserted that Ankara had decreed that the process should not move forward. He acknowledged, however, that he had no real proof that this was the case. He speculated that Turkish Cypriot leader Mehmet Ali Talat might also be adopting a truculent stance as a means of both assuaging Ankara and posturing for upcoming Turkish Cypriot elections.

3. (C) The Ambassador asked Tzionis whether the most recent Annan-Talat letter and the SYG's latest UNFICYP report might help move the process, and the Turkish Cypriots in particular, closer to agreement. Tzionis replied that these documents contained elements that should provide the Turkish Cypriots with sufficient political cover to take action, but had so far seemed to make little difference. It was also possible, he continued, that the main Turkish/Turkish Cypriot aim at the moment might be to "destroy Moeller," whom he described as "frustratingly scrupulous" about not taking sides. At one point, Moeller had tried to catalyze some movement in the technical talks process by suggesting the sides agree to the immediate functioning of two committees -- with each party to choose one. The Turkish Cypriot side had chosen the committee on crime, to which the Greek Cypriot

side immediately agreed. The Greek Cypriots had chosen "economic integration." Pertev balked, arguing that the committee had to be styled as one of "economic convergence." Tzionis said that he had then suggested the moniker "economic convergence and integration," but Pertev had rejected this -- along with the Greek Cypriot proposal that the Euro be accepted as legal tender in the north when the ROC entered the Eurozone.

4. (C) Tzionis reported that plans for a Talat-Papadopoulos

meeting in the context of the arrival of a new third member for the Committee on Missing Persons were "still on." The Greek Cypriot side was hoping, however, that there could be more to the meeting than simply a meeting.

#### Little New Thinking on Turkey and the EU

15. (C) The Ambassador pressed Tzionis hard on the issue of Turkey's EU accession process, emphasizing that a breakdown in the negotiations would have severely negative repercussions for the Cyprus issue, particularly if the ROC itself was seen as the culprit. Other EU states with other agendas -- such as the idea of "preferential partnership" -- would seek to hide behind the ROC, when in fact their objectives with respect to Turkey's membership prospects were very much at odds with those of the ROC, or the United States. Cyprus indeed had cards to play and would naturally look to make its points in the process. At the same time, Cyprus would actually lose leverage on the accession issue if it overplayed its hand. The Ambassador noted that, to him, this meant that the ROC needed not simply to rely on narrow interpretations of legalities, but instead to be creative in finding a way forward. Ideally -- though the UN and EU processes were separate -- Cyprus and the international community could create circumstances of positive synergy on both tracks. Stalemate on either track, however, was likely to undercut the chances for progress on the other track.

16. (C) Tzionis replied that he hoped the USG was also advising Turkey to be creative on the accession issue as well, since, as far as he could tell, Ankara was ignoring overall EU sentiment with regards to the nature of its obligations. President Papadopoulos had put forward ideas in the UN Forum on Famagusta and Varosha that would also have helped Turkey on the EU track, ideas that he knew Talat actually agreed with but to which Ankara objected. Thus, as the ROC saw it, Ankara was precipitating crises in both fora.

He professed puzzlement at this, and wondered whether Erdogan was actually seeking to manufacture crises as a means of managing his domestic problems with the Turkish General Staff and with rising nationalist sentiment. It was also possible, he speculated, that Turkey was simply waiting to see if the EU, the UN, the United States and/or the UK were somehow going to salvage the situation for Ankara. The Ambassador reinforced the importance of the ROC's adopting a flexible, pro-active approach. The GOC should recognize that it had strong interests in Turkey, and that it should signal well in advance the possibility of a visit in order to avert any potential "Straw problem." If he did come, Bryza would want to meet with both President Papadopoulos and Mehmet Ali Talat. It was in Cyprus' interest that this be accomplished without rancor. The Ambassador reminded Tzionis of several government statements during the Straw dust-up to the effect that non-ministerial visitors would not be bound by the "Straw rules." We wanted to work cooperatively with the GOC to ensure a smooth visit when the time came. Tzionis replied that Bryza was a "political personality," and that the Straw rules might apply. The Ambassador noted that a DAS was not a ministerial-level job and Bryza was an FSO like himself. Tzionis commented that, protocol-wise, Papadopoulos did not have to receive a DAS. True, the Ambassador replied, but it would be strongly in the interests of both countries for the President to receive Bryza and hear him out. The Ambassador promised to keep Tzionis apprised, and noted that he might choose to go straight to the President with the issue.

#### Comment

18. (C) Tzionis' comments on the technical talks process track with what Moeller has been telling us off-line, though the SRS is more reluctant to point the finger at Turkish Cypriot foot-dragging. On Turkey's EU accession process, it seems clear that, at this point, there is little creative thinking going on in the Presidency, and that neither Ankara nor Nicosia is demonstrating much in the way of flexibility.

SCHLICHER